

§ 13.104

38 CFR Ch. I (7-1-08 Edition)

§ 13.104 Accounts of court-appointed fiduciaries.

(a) *Requirement to account; notices of filings and hearings.* Accounts may be required from court-appointed fiduciaries as provided by State law, but in no event less frequently than once every 3 years. Arrangements will be made with the courts whereby notices of filing of all petitions, accounts, etc., and of hearings on same, relative to court-appointed fiduciary cases wherein the Department of Veterans Affairs is an interested party, will be sent to the Veterans Service Center Manager for review, distribution and such action as may be appropriate. Matters which require legal action will be referred to the Regional Counsel, and will include any matter in which the Department of Veterans Affairs has any objections to offer.

(b) *Fiduciary and beneficiary in jurisdiction other than a State of the United States.* Accounts will not be required, in the discretion of the Veterans Service Center Manager, in cases where the fiduciary and beneficiary permanently reside in a jurisdiction other than a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico or the Republic of the Philippines, and the fiduciary appointment was made in said jurisdiction.

[40 FR 54250, Nov. 21, 1975]

§ 13.105 Surety bonds.

(a) *Federal fiduciaries.* (1) The Veterans Service Center Manager may require a legal custodian, custodian-in-fact or chief officer of a private institution recognized to administer Department of Veterans Affairs benefits on behalf of a beneficiary, to furnish a corporate surety bond in an amount determined to be sufficient to protect the interest of the beneficiary. Such bond shall run to the Secretary of Veterans Affairs for the use and benefit of the beneficiary.

(2) The Veterans Service Center Manager may require a legal custodian to furnish an agreement in lieu of a surety bond or additional surety bond when funds are deposited in an interest or dividend-paying account in a State or federally insured institution. The agreement will provide that the legal

custodian and institution agree that all funds received from the Department of Veterans Affairs on behalf of the beneficiary, which have been or will be deposited by the legal custodian in the account, will be withdrawn only with the written consent of the Veterans Service Center Manager or designee.

(b) *Substitution of surety; claims against defunct companies.* If any surety company is placed in receivership or ceases to do business in the particular State, the Veterans Service Center Manager will take the necessary action to have proper bonds substituted in Federal fiduciary cases and refer the matter to the Regional Counsel for such other action as may be appropriate.

(Authority: 38 U.S.C. 501)

[40 FR 54250, Nov. 21, 1975]

§ 13.106 Investments by court-appointed fiduciaries.

The Veterans Service Center Manager will review and to the extent possible determine the legality and prudence of investments involving Department of Veterans Affairs income or estate. It is Department of Veterans Affairs policy to invest income or estate derived from Department of Veterans Affairs benefits only in legal investments which have safety, assured income, stability of principal and ready convertibility for the requirements of the beneficiary and his or her dependents. When notice of a contemplated or actual illegal or imprudent investment comes to the attention of the Veterans Service Center Manager, he or she will take remedial action to protect the beneficiary's estate. Cases in which it becomes necessary to institute court action will be referred to the Regional Counsel.

(Authority: 38 U.S.C. 501)

[40 FR 54250, Nov. 21, 1975]

§ 13.107 Accounts of chief officers of public or private institutions.

(a) *Department of Veterans Affairs benefits.* The chief officer of an institution, other than a Federal institution, shall, when requested, render an account to the Department of Veterans Affairs for funds received from the Department of